

1  
2  
3  
4  
5 **UNITED STATES DISTRICT COURT**  
6 **DISTRICT OF NEVADA**  
7

8 ISELA CHAVEZ

9 Plaintiff,

10 vs.

11 AMERICAN FAMILY MUTUAL  
12 INSURANCE COMPANY, *et al.*,

13 Defendants.

2:09-CV-00230-JCM-LRL

ORDER

14  
15 Presently before the court is petitioner Isela Chavez's petition for compromise of disputed claim  
16 of a minor, Mark Anthony Novelo. (Doc. #16). Responses were due on November 15, 2010, yet  
17 American Family Mutual Insurance Company (hereinafter "American Family") has not filed an  
18 opposition.

19 In the present petition, the natural mother and legal custodial parent of Mark Anthony Novelo  
20 asks this court to approve the compromise between herself and American Family, pursuant to NRS  
21 41.200. Petitioner asserts that her son Mark was hit by a car while crossing the street, and sustained  
22 injuries to his liver, back and forehead. Subsequently, American Family Insurance paid \$5,000.00  
23 pursuant to medical payments coverage. After the accident, the petitioner made demand on her  
24 insurance carrier American Family under her uninsured motorist coverage. As petitioner asserts,  
25 American Family denies liability for injuries, but by way of compromise, has offered the sum of  
26 \$50,000.00 in consideration for a "full liability release and final discharge for all claims, charges and  
27 demands" arising out of the injuries to her son.

28 Pursuant to NRS 41.200, "[i]f an unemancipated minor has a disputed claim for money against

1 a third person, either parent...has the right to compromise the claim. Such a compromise is not effective  
2 until it is approved by the district court of the county where the minor resides, or if the minor is not a  
3 resident of the State of Nevada, then by the district court of the county where the claim was incurred,  
4 upon a verified petition in writing, regularly filed with the court.” Section (2) of NRS 41.200 sets forth  
5 the requirements of the petition, which include information about the incident, the minor, the guardian,  
6 the total amount of proceeds of the compromise and how those funds are to be distributed. NRS 41.200.

7 Further, the petition must explain why the compromise is in the best interest of the minor, and  
8 demonstrate “that petitioner has been advised and understands that acceptance of the compromise will  
9 bar the minor from seeking further relief from the third person offering the compromise.” *Id.* When the  
10 claim involves personal injuries, such as here, “the petitioner must submit all relevant medical and  
11 health care records to the court at the compromise hearing.” *Id.*

12 In accordance with NRS 41.200, petitioner explains how the accident occurred, that she is the  
13 natural mother and legal custodian of the minor, that they were residents of Nevada when the accident  
14 occurred, and the amount of the compromise. Petitioner also explains to the court that the total amount  
15 of medical bills was \$36,246.40, and that Nevada Care made payments totaling \$36,246.40 and claims  
16 a lien of \$16,092.43 (doc. #16-1). Attached to the petition as Exhibits 2 (doc. #16-2) and 3 (doc. #16-3),  
17 are the pertinent medical records and a summary of the attorney’s fees and costs incurred.

18 Petitioner asserts that after the “lien, [and] attorney’s fees and costs, the net sum of \$23,525.95  
19 remains to be paid to a blocked trust account established in the name of Mark Anthony Novelo.”  
20 Petitioner also asserts that she “fully understands that .... the minor will be forever barred and prevented  
21 from seeking further recovery or compensation from American Family..,” and that the settlement is fair,  
22 reasonable and in the “best interest of the minor.”

23 In light of the aforementioned, the court is inclined to approve the submitted compromise  
24 between the petitioner and American Family.

25 Accordingly,

26 **IT IS HEREBY ORDERED ADJUDGED AND DECREED** that petitioner Isela Chavez’s  
27 petition for compromise of disputed claim of a minor, Mark Anthony Novelo, (doc. #16) be, and the  
28 same hereby is, **APPROVED**.

1       **IT IS THEREFORE ORDERED** that American Family Mutual Insurance Company pay the  
2 sum of \$50,000.000 in consideration for full liability release and final discharge for all claims, charges  
3 and demands arising out of the above described injuries to Mark Anthony Novelo.

4           **IT IS FURTHER ORDERED** that pursuant to NRS 41.200, the sum is to be paid to the mother  
5 of the child, Isela Chavez, and then placed in the blocked trust account in the name of Mark Anthony  
6 Novelo and maintained in accordance with sections (5) through (8) of NRS 41.200.

DATED: December 30, 2010

**JAMES C. MAHAN**  
United States District Judge